

SENATE BILL No. 346

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5-7.

Synopsis: Expenditure and transfer of CEDIT funds. Provides that the executive of a county or municipality may not transfer money that has been deposited in the county or municipal economic development income tax fund unless the transfer is approved by resolution or ordinance of the county or municipal fiscal body. Specifies that county economic development income tax (CEDIT) revenue may not be expended for a purpose listed in a capital improvement plan or for any other purpose unless the county or municipal fiscal body has appropriated the money for the specific expenditure or the specific capital improvement as a separate line item.

Effective: July 1, 2015.

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January 8, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 346

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.5-7-12.7, AS AMENDED BY P.L.36-2013,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 12.7. (a) Subject to subsection (b), the executive
4 of a county, by resolution or ordinance, or the executive of a city or
5 town may at any time transfer to:
6 (1) its general fund; or
7 (2) any other fund of the county, city, or town that the executive
8 serves;
9 money that has been deposited in the economic development income
10 tax fund established by the county, city, or town under section 13.1 of
11 this chapter. The executive shall adjust the unit's capital improvement
12 plan adopted under section 15 of this chapter to reflect the transfer.
13 After appropriation of the money by the fiscal body of the county, city,
14 or town in a budget or supplemental budget (as required by law), the
15 money transferred under this section may be used for the purposes of
16 the fund to which the money is transferred.



(b) A unit may not transfer money under subsection (a) if the amount transferred would impair the unit's ability to satisfy any debts, liabilities, or obligations for which county economic development income taxes are pledged or otherwise encumbered, including transfers required by IC 36-7.5-4-2. **A unit may not transfer money under subsection (a) unless the transfer is approved by resolution or ordinance of the unit's fiscal body.**

SECTION 2. IC 6-3.5-7-15, AS AMENDED BY P.L.137-2012, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 15. (a) The executive of a county, city, or town may, subject to the use of the certified distribution permitted under section 26 of this chapter:

(1) adopt a capital improvement plan specifying the uses of the revenues to be received under this chapter; or

(2) designate the county or a city or town in the county as the recipient of all or a part of its share of the distribution.

(b) Revenues received under this chapter may not be expended for a purpose listed in a capital improvement plan adopted under subsection (a) or for any other purpose unless the unit's fiscal body has appropriated the money for the specific expenditure or the specific capital improvement as a separate line item in the unit's budget or in an additional appropriation under IC 6-1.1-18-5.

~~(b)~~ (c) If a designation is made under subsection (a)(2), the county treasurer shall transfer the share or part of the share to the designated unit unless that unit does not have a capital improvement plan.

~~(c)~~ (d) A county, city, or town that fails to adopt a capital improvement plan may not receive:

(1) its fractional amount of the certified distribution; or

(2) any amount designated under subsection (a)(2);

for the year or years in which the unit does not have a plan. The county treasurer shall retain the certified distribution and any designated distribution for such a unit in a separate account until the unit adopts a plan. Interest on the separate account becomes part of the account. If a unit fails to adopt a plan for a period of three (3) years, then the balance in the separate account shall be distributed to the other units in the county based on property taxes first due and payable to the units during the calendar year in which the three (3) year period expires.

~~(d)~~ (e) A capital improvement plan must include the following components:

(1) Identification and general description of each project that would be funded by the county economic development income tax.



- 1 (2) The estimated total cost of the project.
- 2 (3) Identification of all sources of funds expected to be used for
- 3 each project.
- 4 (4) The planning, development, and construction schedule of each
- 5 project.
- 6 ~~(e)~~ (f) A capital improvement plan:
 - 7 (1) must encompass a period of no less than two (2) years; and
 - 8 (2) must incorporate projects the cost of which is at least
 - 9 seventy-five percent (75%) of the fractional amount certified
 - 10 distribution expected to be received by the county, city, or town
 - 11 in that period of time.
- 12 ~~(f)~~ (g) In making a designation under subsection (a)(2), the
- 13 executive must specify the purpose and duration of the designation. If
- 14 the designation is made to provide for the payment of lease rentals or
- 15 bond payments, the executive may specify that the designation and its
- 16 duration are irrevocable.

